## Message Text

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USDOC FOR BEWT

VIENNA FOR US EAST-WEST TRADE DEVELOPMENT SUPPORT OFFICE

E.O. 11652: GDS TAGS: BEXP, GE

SUBJECT: SPRING 1978 LEIPZIG FAIR OPENS

REF: BERLIN 1810 (NOTAL)

SUMMARY: AN OPENING DAY VISIT BY HONECKER TO THE U.S. BUSINESS DEVELOPMENT OFFICE, A LUNCHEON BY THE AMBASSADOR FOR STATE SECRETARY BEIL AND OTHER HIGHLEVEL EAST GERMAN TRADE OFFICIALS ON MARCH 13, A HEAVY STREAM OF VISITORS TO BOTH OFFICIAL U.S. EXHIBITS, AND SIGNING OF A MAJOR CONTRACT BY DOW CHEMICAL CO. MARKED THE FIRST THREE DAYS OF THE SPRING 1978 LEIPZIG FAIR. IN ADDITION TO A STEADY FLOW OF VISITORS, THE USDOC BUSINESS DEVELOPMENT OFFICE HAS RECEIVED A LARGE NUMBER OF COMMERCIAL INQUIRIES FROM FAIR VISITORS FROM 12 EASTERN AND WESTERN COUNTRIES. END SUMMARY.

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1. ON OPENING DAY, MARCH 12, AMBASSADOR RECEIVED A "STATE AND PARTY" DELEGATION LED BY PARTY AND STATE CHIEF HONECKER, AND COUNCIL OF MINISTERS CHAIRMAN STOPH AT THE COMMERCE-SPONSORED BUSINESS DEVELOPMENT OFFICE. DURING THE 15 MINUTE VISIT, THE AMBASSADOR EXCHANGED GREETINGS WITH HONECKER AND BRIEFLY SHOWED HIM AND HIS ASSOCIATES AROUND THE BDO. IN HIS

REMARKS, THE AMBASSADOR REFERRED TO U.S. INTEREST IN IMPROVING RELATIONS AND INCREASING TRADE, AND DREW HONECKER'S ATTENTION TO THE LEVEL OF U.S. PARTICIPATION AT THE FAIR. THE AMBASSADOR ALSO EXPRESSED HIS SUPPORT FOR THE FORTHCOMING "US-GDR TECHNICAL DAYS" IN THE U.S., THE IMMINENT SECOND SESSION OF THE PRIVATE US-GDR TRADE AND ECONOMIC COUNCIL, AND THE GDR'S INCREASED EFFORTS TO FIND U.S. SUPPLIERS OF NEEDED PLANT AND TECHNOLOGY. IN REPLY, HONECKER EXPRESSED SUPPORT FOR EXPANDED AND IMPROVED BILATERAL RELATIONS. THE STATE AND PARTY VISIT WAS COVERED THOROUGHLY IN GDR DOMESTIC TELEVISION; AND IN MORE ABBREVIATED FORM IN EAST GERMAN PRESS.

2. A LUNCHEON BY THE AMBASSADOR ON MARCH 13 WAS ATTENDED BY TOP LEVEL GDR TRADE AND ECONOMIC OFFICIALS HEADED BY FOREIGN TRADE STATE SECRETARY BEIL. IN A TOAST, THE AMBASSADOR EXPRESSED HOPE THAT TRADE WOULD DEVELOP FAVORABLY AND CONTRIBUTE TO OVERALL IMPROVEMENT OF RELATIONS BETWEEN THE U.S. AND THE GDR. RETURNING THE TOAST, DR. BEIL SAID THE POSITIVE DEVELOPMENT OF TRADE IN RECENT MONTHS WAS NOT ACCIDENTAL. HE SAID THE STATISTICS, WHILE IMPRESSIVE, SHOWED AN IMBALANCE IN TRADE IN FAVOR OF THE U.S., AND THAT THE GDR HOPES TO REDRESS IT. REFERRING TO MFN AND AVAILABILITY OF CREDIT, BEIL SAID THESE ISSUES HAD TO BE VIEWED IN CONFIDENTIAL

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CONTEXT OF THE OVERALL POLITICAL RELATIONSHIP WHICH HE HOPED WOULD CONTINUE TO DEVELOP FAVORABLY.

- 3. IN A BRIEF CEREMONY MARCH 12 AMBASSADOR OPENED USIS "DISTRIBUTION NETWORK-USA" EXHIBIT, WHICH HAS BEEN DRAWING HEAVY CROWDS SINCE. COMMERCE MATERIALS HANDLING BDO HAS RECEIVED A STEADY FLOW OF TRADE VISITORS WHICH INDUSTRY EXPERT BECK IS HANDLING UNUSUALLY EFFECTIVELY.
- 4. IN OTHER AREAS, DOW EUROPEAN PRESIDENT BOYD ON MARCH 14 SIGNED A LONG-TERM CONTRACT FOR SALE BY DOW OF PROPYLENE OXIDE AND PURCHASE OF PROPYLENE FROM THE GDR. TOTAL VALUE OF THE DEAL WAS REPORTED IN THE GDR PRESS AS \$250 MILLION.
- 5. AS DEPARTMENT IS AWARE, ARRIVAL IN LEIPZIG OF THE 19-MEMBER US-GDR TRADE AND ECONOMIC COUNCIL IS SCHEDULED FOR MARCH 17. BOLEN

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